

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2012

Docket No. N2012-1

NATIONAL POSTAL POLICY COUNCIL
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS GREG WHITEMAN (USPS-T-12) (NPPC/USPS-T12-1-10)
(January 10, 2012)

The National Postal Policy Council ("NPPC"), pursuant to rule 26 of the Commission's rules of practice, respectfully submits the following interrogatories, numbered (NPPC/USPS-T12-1 through 10) to United States Postal Service witness Greg Whiteman (USPS-T-12) and requests a timely answer under oath. If an interrogatory can be more accurately answered by a different witness, please redirect to the appropriate witness.

Please contact the undersigned with any questions.

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Certificate of Service

I hereby certify that I have this 10th day of January, 2012, caused to be served the foregoing document upon the United States Postal Service and the Public Representative in accordance with sections 12 and 20(c) of the rules of practice.

William B. Baker
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NPPC/USPS-T12-1: Please define the following terms as used in your testimony at page 13 and thereafter:

- a. National Account
- b. Premier Account

NPPC/USPS-T12-2: Do you believe that the persons at the National and Premier Accounts who were interviewed by the market research team have the authority to decide whether particular communications should be sent by mail as opposed to electronic alternatives? If so, what steps were taken to ensure that the executives contacted by the market research were individuals with such authority?

NPPC/USPS-T12-3: Please refer to Section B of your testimony, beginning at page 17. Did the Postal Service provide the market research company with the names and contact information of the persons at the National and Premier Account customers with whom the 17 IDIs were conducted? If so, what was the Postal Service's source of those names? If not, how were those persons selected?

NPPC/USPS-T12-4: Were the mailers who participated in the 17 in-depth interviews of National and Premier Account customers informed that the Postal Service would be increasing rates in January 2012? If not, does the Postal Service understand that those mailers were aware of that rate increase?

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NPPC/USPS-T12-5: Some Presort First-Class mailers operate under legal requirements that require minimum notices before taking certain actions, such as cancelling insurance policies. Did the Postal Service conduct in-depth interviews with any such mailers? If so, how many?

NPPC/USPS-T12-6: Some Presort First-Class mailers operate under legal requirements that require minimum notices before taking certain actions, such as cancelling insurance policies. Did the Postal Service conduct quantitative research regarding such mailers? If so, how many mailers provide responses to such quantitative research?

NPPC/USPS-T12-7: When considering the effects of the proposed service standards on the volume of Presort First-Class mail, did the Postal Service consider the possible costs that mailers may incur in redesigning their operating software and retraining employees to meet the changed delivery windows? If so, what did the Postal Service assume? If not, please explain why not.

NPPC/USPS-T12-8: When considering the effects of the proposed service standards on the volume of Presort First-Class mail, did the Postal Service make any assumptions regarding whether or not Presort mailers would need to invest in new or additional mail preparation equipment? If so, what did the Postal Service assume? If not, please explain why not.

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NPPC/USPS-T12-9: In general, do you agree that if the cost of using mail increases relative to alternative means of communicating, a company will have a financial incentive to try to shift more messages to alternative means of communicating?

NPPC/USPS-T12-10: Please refer to Chart 1 on page 22 of your testimony. That Chart indicates that the Postal Service estimates that Presort First-Class mail volume would decline 1.4 percent from FY2010 data due to the changes in the service standards.

- a. Does this mean that, had the proposed service standard changes been in effect throughout FY2010, that the Postal Service estimates that Presort volumes would have been 1.4 percent less than they actually were?
- b. The Postal Service's Annual Compliance Report for FY 2011 (filed Dec. 29, 2011) indicates at page 17 that Presort volume declined 3.7 percent in FY 2011 compared to FY 2010. Is it a reasonable interpretation of your testimony that, had the proposed service changes been in effect throughout FY2011 (but not in effect at all in FY2010), Presort volume would have declined an additional 1.4 percent?
- c. Is the 1.4 percent estimated reduction in Presort volume a one-time reduction, or do you expect a further incremental decline of 1.4 percent annually due to the changes in service standards?